C. Remarks

1. Status of the Claims

Claims 1-20 are pending in the application. Claims 1-2 stand rejected under 35 U.S.C. § 102(b) as being anticipated by European Publication No. EP 0 636 962 A2 ("Chou"). Claims 3-20 stand rejected under 35 U.S.C.§ 103(a) as unpatentable over Chou in view of various other references. Applicants hereby amend claims 1 and 11.

2. Claims 1-10 Distinguish Over The Cited Prior Art.

The examiner has rejected claim 1 as anticipated by Chou. Applicants respectfully traverse this basis for rejection. Claim 1 distinguishes over the cited prior art for at least two important reasons. First, claim 1, both as previously presented and as presently amended, explicitly recites using a first encryption key to encrypt a software product and using the same encryption key to decrypt the encrypted software product. Applicants respectfully submit that Chou does not teach this combination of elements. In this regard, Chou teaches use of a decryption key K to decrypt an encrypted software product. *See* Chou at col. 4, ll. 19-22 and 45-49. Importantly, however, Chou does not teach that decryption key K is the same key used to initially encrypt the software product. For this reason alone, the pending claim rejections are improper and should be withdrawn.

Second, claim 1 as previously presented and as amended recites that Applicants' invention provides a first key portion, a second key portion, and an encrypted initial software product for use in a hardware product. One skilled in the art would understand that said first key portion is generated apart from and independent of said hardware product. Significantly, the first key portion can be generated without knowledge of specific information identifying the hardware product. Notwithstanding, and solely in the interest of furthering the prosecution of this

application, Applicants hereby amend claim 1 to explicitly recite that "said first key portion is generated apart from said hardware product."

In contrast, Chou teaches that a first key portion must be generated in/by the hardware product to which the encrypted software is provided, namely, the user's computer. The first key portion of Chou is based on identifying information specific to the user's computer. *See* Chou at col. 4, ll. 10-14. Thus, Chou does not teach providing a first key portion to the user's computer, wherein said first key portion is generated apart from said user's computer. In fact, Chou teaches away from such a limitation.

Based on at least the above, Applicants submit that claim 1 is allowable over the cited prior art and that claims 2-10 which depend from claim 1 are allowable as well. Accordingly, Applicants respectfully request withdrawal of the rejections of these claims.

3. Claims 11-20 Distinguish Over The Prior Art.

The examiner has rejected claim 11 as unpatentable over Chou in view of Chan, U.S. Patent No. 5,150,407. Applicants respectfully traverse this basis for rejection. Claim 11 as amended explicitly recites a method for providing for the security of encryption keys for encryption and decryption of an initial version of a software product provided to a user of a hardware product, comprising the steps, among others, of encrypting the initial version of said software product with a first encryption key to generate an encrypted initial software product and splitting said first encryption key into first and second key portions by generating a first key portion of said first encryption key apart from said hardware product and utilizing said first key portion and said first encryption key to calculate a second key portion of said first encryption key such that the combination of said first and second key portions form said first encryption key. As discussed above in connection with claim 1, Chou teaches providing a second key portion and

an encrypted software product for use in a user's computer, but Chou does not teach providing a first key portion to the user's computer, wherein said first key portion is generated apart from said user's computer. Thus, Chou does not teach the foregoing combination of elements. Nor does Chan. Chan is directed to a hardware product for storing data. Although Chan discloses separating a key into first and second key portions, Chan does not teach generating said first key portion apart from said hardware product. Indeed, one skilled in the art would understand that both the first and second key portions disclosed by Chan are generated in/by the hardware product on which the data is stored. As such, neither Chou nor Chan, nor the combination thereof discloses "generating a first key portion of said first encryption key apart from said hardware product."

Based on at least the above, Applicants submit that claim 11 is allowable over the cited prior art and that claims 12-20 which depend from claim 11 are allowable as well. Accordingly, Applicants respectfully request withdrawal of the rejections of these claims.

Based on the above, Applicants respectfully submit that the applicant is in condition for allowance and respectfully request reconsideration thereof.

Respectfully submitted,

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